GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3568
ANSWERED ON:25.08.2006
BLACK MONEY
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has formulated any policy to unearth control black money ;

(b) if so,the success achieved by the Government as a result of the said policy during the last two years;

(c) the reaction of the Government regarding the success achieved; and

(d) the amount of revenue collected as Banking Cash Transaction Tax since inception ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a)The Income-tax Department undertakes various punitive and deterrent steps to control black money and combat tax evasion. These include undertaking search and seizure operations, survey actions, scrutiny of returns, imposition of penalty and launching of prosecution in appropriate cases. Further, by the Finance Act, 2005, the Government have introduced two additional anti-tax evasion measures, namely, the levy of Banking Cash Transaction Tax(BCIT) to establish the trail of large cash withdrawals through banking channels and furnishing of quarterly returns of certain deposits as prescribed under section 206A of the Income-tax Act.

(b) Unearthing of black money by the Government is a result of combination of various measures taken by the Income Tax Department as well as other law enforcing agencies of the Government.Accordingly, the effect of these measures cannot be separately quantified. However, the value of assets seized during search and seizure operations carried out by the Income Tax Department in the last two years is as under :

Financial Year	Value of Assets seized (Rs. In crore)
2004-05	202.27
2005-06	351.69

Further, enquiries iDto large cash withdrawals reported under BCTf have led to detection of tax evasion.

(c) The steps taken by the Government have been effective in tackliDg the problem. However,checking tax evasion and controlling black money is an ongoing activity of the Department.

(d) The amount of revenue collected as Banking Cash TransactioD Tax (BCT1) since inception upto 1 august, 2006 is Rs.969 crore.